



THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

FRED LEAF
Chief Operating Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

BOARD OF SUPERVISORS

Gloria Molina
First District

Yvonne Brathwaite Burke
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

September 8, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**HIV/AIDS PHARMACY SERVICES REIMBURSEMENT AGREEMENT
WITH RAMSELL CORPORATION
(All Districts) (3 Votes)**

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Director of Health Services, or his designee, to sign an Agreement, substantially similar to Exhibit I, with Ramsell Corporation for pharmacy services reimbursement for HIV/AIDS drugs dispensed in Department of Health Services' and Sheriff's Department's pharmacies to eligible County patients under the California Department of Health Services AIDS Drug Assistance Program, effective retroactive to July 1, 2005 through June 30, 2008, at no net County cost.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTION:

In approving this action, the Board is authorizing the Director of Health Services, or his designee, to sign an Agreement to enable Department of Health Services' (DHS or Department) and Sheriff's Department's pharmacies to be reimbursed for filling HIV/AIDS prescriptions for eligible County patients under the California Department of Health Services (CDHS) AIDS Drug Assistance Program (ADAP) through Ramsell Corporation (Ramsell), fiscal intermediary for CDHS for the ADAP program.

FISCAL IMPACT/FINANCING:

There is no net County cost associated with this action. This Agreement provides for reimbursement to County pharmacies for dispensing prescription items to eligible HIV/AIDS patients in accordance with the CDHS-approved ADAP formulary. Revenue is budgeted in the Fiscal Year 2005-06 Board Adopted Budget and will be included in future fiscal years.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On July 1, 1997, CDHS/Office of AIDS centralized its reimbursement and data functions for ADAP and entered into a Statewide agreement with PMDC (now Ramsell) as the fiscal intermediary for CDHS in an effort to: 1) reduce drug costs; 2) expand Statewide access for patients to get their ADAP prescriptions filled at local pharmacies; 3) provide confidential mail order pharmacy services, particularly to patients

in remote locations, during times of limited mobility, or in areas where ADAP services would not otherwise be available; and 4) contract with local health jurisdictions to accommodate the special needs associated with the delivery of ADAP services, including the provision of services to incarcerated populations.

On February 17, 1998, the Board approved the original agreement with PMDC for the period November 1, 1997 through June 30, 2000.

On November 16, 1999, CDHS released a Request for Proposals (RFP) for the selection of a Pharmacy Benefit Management Services provider for ADAP for the period July 1, 2000 through June 30, 2005. As a result of CDHS' RFP, PMDC was selected to provide the ADAP services through June 30, 2005. Subsequently, PMDC notified CDHS of their name change to Ramsell Corporation. In June 2005, CDHS awarded a new contract to Ramsell to continue as the fiscal intermediary from July 1, 2005 through June 30, 2008.

PMDC, now Ramsell, has reimbursed the County for dispensing ADAP formulary drugs at the following facilities: LAC+USC Medical Center, King/Drew Medical Center, Harbor-UCLA Medical Center, Olive View-UCLA Medical Center, High Desert Health System, H. Claude Hudson Comprehensive Health Center, Long Beach Comprehensive Health Center; and two Sheriff's Department's facilities.

County pharmacies will continue to be electronically linked to Ramsell's pharmacy network and Ramsell will continue to reimburse County pharmacies for items dispensed under CDHS's approved formulary.

All rates are kept confidential in accordance with the Agreement, but have been shared with each Board Office, the Chief Administrative Office, and County Counsel.

Implementation of Strategic Plan Goals

This action meets the County's Strategic Plan Goal of Service Excellence by promoting best practices for patient care and the Goal of Fiscal Responsibility by securing reimbursement for HIV/AIDS drugs.

Consistency with DHS System Redesign

The recommended action will not impact the Department's system redesign.

Attachment A provides additional information. Ramsell's Agreement has been reviewed as to form by County Counsel.

CONTRACTING PROCESS:

The County uses the CDHS selected contractor for reimbursement of ADAP drugs. Current County policy and guidelines require the timely submission of contracts for Board approval. However, the Agreement was not scheduled for placement on the Board's agenda three weeks prior to its effective date as required because Ramsell did not secure its agreement with CDHS until June 28, 2005 and did not notify DHS with enough lead-time to allow for the timely processing of the Agreement.

At all times, Ramsell operated in good faith to finalize their contract with CDHS and the delay in notifying DHS was not intentional, but merely an administrative oversight. This delay in notification made it impossible to inform the Board in a timely manner. In addition, during this time period, however, Ramsell, being a long-time contractor with the County, continued to provide the requisite services under the contract. Therefore, if this retroactive contract is not approved, the County cannot receive reimbursement for the cost owed to the County under the Agreement.

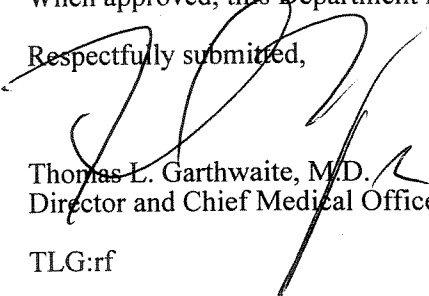
The Honorable Board of Supervisors
September 8, 2005
Page 3

IMPACT ON CURRENT SERVICES (OR PROJECT):

Reimbursement for the distribution of prescription HIV/AIDS drugs will continue.

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

TLG:rf

Attachments (2)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors
Sheriff's Department

Ramsell Board Letter.rf.wpd

SUMMARY OF AGREEMENT

1. TYPE OF SERVICE:

This Agreement enables County pharmacies to be reimbursed for filling HIV/AIDS prescriptions under the California Department of Health Services (CDHS) AIDS Drug Assistance Program (ADAP) through Ramsell Corporation, fiscal intermediary for CDHS.

2. AGENCY ADDRESS AND CONTACT PERSON:

Ramsell Corporation
4900 Hopyward Road, Suite 285
Pleasanton, CA 94588
Attention: Eric Flowers
Telephone: (510) 587-2604
Fax: (800) 848-4241
Email: eric@ramsellcorp.com

3. TERM OF AGREEMENT:

The term is July 1, 2005 through June 30, 2008.

4. FINANCIAL INFORMATION:

There is no net County cost associated with this action. This Agreement enables County pharmacies to be reimbursed for filling HIV/AIDS prescriptions for eligible County patients under CDHS ADAP through Ramsell Corporation, fiscal intermediary for CDHS for this program.

5. GEOGRAPHICAL AREA TO BE SERVED:

All Districts.

6. ACCOUNTABILITY FOR PROGRAM MONITORING AND EVALUATION:

Amy Gutierrez, DHS Pharmacy Director

7. APPROVALS:

DHS Pharmacy Director:	Amy Gutierrez
Chief Operating Officer:	Fred Leaf
Contracts and Grants Division:	Cara O'Neill, Chief
County Counsel (as to form):	Eva Vera

PHARMACY PROVIDER AGREEMENT

THIS AGREEMENT is executed as of _____, 200__ by and between Ramsell Corporation, hereinafter referred to as "Ramsell" and _____, hereinafter referred to as "Provider."

ARTICLE I Definitions

The following definitions apply to this Agreement:

1.1 "Sponsor" means any one of, or a combination of the following: the State of California, or any county, special district or health jurisdiction within the State of California, or other legal entity, which has entered into an agreement with Ramsell (the "Sponsor Agreement") under which Ramsell undertakes to manage prescription benefits for persons designated in the Sponsor Agreement.

1.2 "Program Members" means those persons who are entitled to receive pharmacy benefits under a Sponsor Agreement.

1.3 "Provider Pharmacy" means those pharmacies which have entered into Pharmacy Provider Agreements with Ramsell.

1.4 "Pharmacy Services" means those services, drugs, medications and supplies to be provided by Provider Pharmacies to Program Members under the Sponsor Agreement by a licensed pharmacist in accordance with the prescription of a person lawfully entitled to prescribe the same and in compliance with the then current pharmacy rules of the individual Sponsor except to the extent that a Provider Pharmacy is notified of a variation in coverage with respect to a particular Sponsor.

1.5 "PMDC Systems™" or "Program" means a system utilized by Ramsell for managing Pharmacy Services for Sponsor, Program Members and Provider Pharmacies.

1.6 "On-Line System" means the electronic computerized information transmission link between Ramsell and Provider using the NCPDP telecommunication standard (or such other standard as Ramsell may require, in its sole and absolute discretion), by which Ramsell shall communicate to Provider information regarding Pharmacy Services, payment, benefit coverage, and all other information necessary for Provider to provide services pursuant to this Agreement and by which Provider shall submit to Ramsell for payment all claims for services provided pursuant to this Agreement.

1.7 "Claims Administrator" means any third party designated by Ramsell to process claims submitted by Provider for items dispensed and services provided by Provider to Program Members under the Sponsor's benefit plan.

1.8 "Share of Cost" means a Program Member's payment obligation for prescriptions as determined by the Sponsor.

ARTICLE II Scope And Term Of This Agreement

2.1 Status. This Agreement defines the obligations assumed by Provider as an independent contractor for the delivery of Pharmacy Services requested during the term of this Agreement by Program Members.

2.2 Term. This Agreement shall become effective July 1, 2005 and shall terminate June 30, 2008, unless sooner terminated in accordance with Article XII of this Agreement.

ARTICLE III Obligations Of Provider

3.1 Compliance with Service Standards. Provider shall operate in conformity with all applicable federal, state and municipal laws, regulations, rules, ordinances and orders. Provider represents and warrants that its employed pharmacists are and shall be continuously during the term of this Agreement, duly licensed or certified in accordance with the laws of the State in which Provider shall be located.

3.2 Inventory. Provider shall maintain an adequate inventory of prescription drugs, medications and dispensing supplies to serve Program Members, and shall fill all prescriptions promptly.

3.3 Use of On-line System. Provider shall use the On-Line System to submit claims to Ramsell using the NCPDP telecommunication standard (or such other standard as Ramsell may require, in its sole and absolute discretion).

3.4 Non-Discrimination. Provider shall deal with all Program Members in a courteous, professional and helpful manner, and shall provide Pharmacy Services to Program Members in the same manner as provided to any of its other customers or to the members of any other plan, program, or group of customers. Provider shall not discriminate against Program Members on the basis of age, sex, race, marital status, sexual orientation, religion or national origin.

3.5 Member Profile. At the time of the initial encounter with a Program Member, Provider shall enter the Program Member's client profile information into a computer record, and the profile shall be updated at the time of the filling of each prescription for the Program Member in accordance with procedures and standards established by Ramsell.

3.6 Compliance with Rules. Provider shall abide by the written rules, regulations and policies as stated in this Agreement, written documents provided by Ramsell to

Provider (including, without limitation, Ramsell's Provider Manual and bulletins from Ramsell to Provider), and other communications from Ramsell to Provider concerning Provider Pharmacies, and shall cooperate with any peer review and other quality control programs established by Ramsell. Specifically, and not in limitation of the above, Provider shall strictly adhere to the written policies of Ramsell concerning:

- (a) the use of generic drugs;
- (b) avoiding unnecessary utilization, abuse and misuse of drugs, while respecting Program Member's rights of privacy and their relationship with their practitioners; and
- (c) on-line submissions using the NCPDP telecommunication standard (or such other standard as Ramsell may require, in its sole and absolute discretion). Ramsell shall provide Provider with a copy of all manuals or other documents referencing Ramsell policies and procedures applicable to Provider. Such manuals and procedures shall be consistent with this Agreement, and in the event of any inconsistency, the provisions of this Agreement shall govern.

3.7 Collection from Program Members. For prescriptions filled under the Program, the maximum charge to the Program Member for any covered services will be the Share of Cost Amount.

3.8 No Claims against Sponsor; Provider Is an Independent Contractor. The Provider agrees that this Agreement is made by it solely with Ramsell and the covenants and obligations undertaken by the Provider in this Agreement are solely for the benefit of Ramsell and the Provider. The Provider shall not make any claim of any kind or nature against the Sponsor in respect to any goods or services provided or to be provided hereunder, or in respect of any claim whatsoever that Provider may have against Ramsell. In addition, the Provider shall act solely as an independent contractor in the performance of this Agreement, and not as an agent for Ramsell or Sponsor, and shall not purport to bind Ramsell to any contract, representation, concessions or waiver of any kind with any Program Member, or other person or entity, and shall not in any manner represent itself as having the authority to do so.

3.9 Multiple Locations. In the event the Provider renders services from more than one Sponsor or location, this Agreement shall constitute a Master-Agreement covering each location as designated in Exhibit A attached. Each location designated on Exhibit A shall be treated separately for purposes of this Agreement. The Provider or Ramsell may add or delete a location by amending Exhibit A in accordance with Article XIV. All terms and conditions of this Agreement shall remain in full force and effect and apply to the remaining or additional locations as fully as though they were set forth within the body of this Agreement.

3.10 Hold Harmless. The Provider shall look only to Ramsell for compensation for services rendered to a Program Member for covered services under a Sponsor

Agreement. The Provider agrees not to bill, charge, collect a deposit from, seek compensation from, seek remuneration from, surcharge or have any recourse against Program Member or persons acting on behalf of Program Member (other than Ramsell), except to the extent that shares of cost are specified in the applicable Sponsor Agreement. Provider agrees not to maintain any action at law or in equity against a Program Member to collect sums that are owed by Ramsell to Provider under the terms of this Agreement, even in the event Ramsell fails to pay, becomes insolvent or otherwise breaches the terms and conditions of this Agreement. This section shall survive termination of this Agreement and shall be construed to be for the benefit of Program Members. This section is not intended to apply to services provided after this Agreement has been terminated, except as otherwise provided in this Agreement, or with respect to non-covered services. The Provider further agrees that this provision supersedes any oral or written agreement, hereinafter entered into between Provider and Program Member or persons acting on Program Member's behalf, insofar as such agreement relates to payment for services provided under the terms and conditions of this Agreement.

3.11 Pharmacy Liability Insurance. Provider shall furnish and keep in full force and effect at all times during the term of this Agreement, the following insurance or, if self-insured, provide to Ramsell written representations or certificates of such self-insurance satisfactory to Ramsell:

- (a) Worker's compensation insurance, including statutory compensation coverage and employer's liability insurance with limits not less than \$1,000,000;
- (b) General liability with limits of liability not less than \$1,000,000 per occurrence combined single limit bodily injury and property damage, with coverage for bodily injury, broad form property damages, and blanket contractual liability.
- (c) General liability with the same limits set forth in Section 3.11(b) but with coverage for personal injury.
- (d) General liability with the same limits set forth in Section 3.11(b) but with coverage for products/completed operations.
- (e) Professional liability coverage for all professional employees licensed as a condition of employment, insuring against error or omission in rendering or failing to render professional services, with limits of liability not less than \$1,000,000 per claim and deductible not to exceed \$1,000 per claim.

For all general liability coverage described above in Sections 3.11(b), (c) and (d), the deductible shall not exceed \$1,000.00 per occurrence. Provider will provide to Ramsell evidence of all insurance or self-insurance required under this Section 3.11 to the satisfaction of Ramsell within thirty (30) days after execution of this Agreement. Failure to maintain the aforementioned insurance shall constitute grounds for immediate termination of this Agreement by Ramsell pursuant to Article XII herein.

3.12 Records Retention. Provider shall retain copies of all prescriptions filled for Program Members during the term of this Agreement, and of all records of its transactions with Program Members during the term of this Agreement, for a period of three (3) years after the services and transactions occur, and upon written request, shall permit representatives of Ramsell, or a third party monitor, inspector or auditor under contract with Ramsell and of any appropriate state or federal agency to inspect, copy, photograph and audit the same at a mutually agreed upon time between Provider and Ramsell.

3.13 Signature Log. Provider shall maintain a signature log to document receipt of prescriptions dispensed and billed to Ramsell for Pharmacy Services provided to Program Members. This log will contain the date of dispense, prescription number, and signature of the individual who receives the prescription. These records shall be retained by Provider for a period of three (3) years from the date of dispensation of the prescription, and upon written request, may be audited by representatives of Ramsell, or a third party monitor, inspector or auditor under contract with Ramsell and of any appropriate state or federal agency.

3.14 Inspection of Premises. Provider shall upon prior written request permit during normal business hours representatives of Ramsell, or any third party monitor, inspector, or auditor under contract with Ramsell and of any appropriate state or federal agency to inspect the premises, equipment and inventory of Provider and to study all phases of the Pharmacy Services provided to Program Members hereunder, and to investigate the quality, appropriateness and accessibility of the Pharmacy Services provided or to be provided.

3.15 Disruption of Services. In the event of any natural disaster, casualty, civil commotion, insurrection or act of war which substantially disrupts the normal operations of Provider, Provider shall exercise its best efforts to provide the services and supplies required under this Agreement.

3.16 Notification to Ramsell. Provider shall notify Ramsell within ten (10) calendar days of the occurrence of any of the following:

- (a) Any finding by any licensing authority or by any relevant accreditation commission which restricts, suspends or revokes Provider's license, certificate, Medicaid and Medicare participation status or accreditation;
- (b) Any settlement, verdict or judgment of any suit, action or proceeding brought against Provider for clinical malpractice involving health care services;
- (c) Any lapse in professional liability insurance coverage or any reduction in coverage below limits specified in Section 3.11; or

(d) Any situation that materially affects Provider's ability to carry out its duties and obligations under this Agreement.

3.17 Debarment and Suspension Certification. By entering into this Agreement, Provider agrees to comply with all applicable federal suspension and debarment regulations, including, but not limited to, those rules and regulations implementing Federal Executive Order 12549. By signing this Agreement, Provider certifies to the best of its knowledge and belief that:

(a) Provider is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency;

(b) Provider has not, within a three (3) year period preceding this Agreement or proposal been convicted of or had a civil judgment rendered against it for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state or local) transaction or contract under a public transaction; violation of Federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Provider is not presently under indictment for or otherwise criminally or civilly charged by a government entity (Federal, state or local) with commission of any of the offenses set forth in Section 3.17(b);

(d) Provider has not, within a three (3) year period preceding this Agreement or proposal had one or more transactions or contracts (Federal, state or local) terminated for cause or default; and

(e) Provider will not knowingly do business with a debarred, suspended, ineligible or voluntarily excluded person in connection with a covered transaction except as permitted by law and authorized by the sponsor.

If the Provider is unable to certify to any of the statements herein, Provider shall submit a written explanation to Ramsell and the Sponsor.

3.18 PHS Drug Pricing Program. If Provider shall purchase or dispense discounted drugs under Section 340B of the Public Health Service Act (the "PHS Drug Pricing Program"), then Provider shall (a) comply with all requirements applicable to the PHS Drug Pricing Program, (b) inform Ramsell of Provider's purchase of drugs under the PHS Drug Pricing Program, (c) comply with all requirements imposed by Ramsell or Sponsor with respect to the submission of claims under the Program for drugs purchased under the PHS Drug Pricing Program, and (d) repay any reimbursements to Provider for prescriptions under the PHS Drug Pricing Program to the extent such reimbursements exceed reimbursement amounts authorized under the Sponsor's rules or policies regarding dispensing medications under the PHS Drug Pricing Program.

3.19 Indemnification. Provider shall hold harmless and indemnify Ramsell, its employees, agents and assigns, the Claims Administrator and Sponsor, and Ramsell's clients from and against any claims, losses, damages, judgments, liabilities, costs, expenses, obligations (including, but not limited to, attorney's fees) and expenses arising out of, or resulting from, the provision of Pharmacy Services to Program Members or any breach of Provider's representations, warranties or covenants under this Agreement (including, without limitation, any breach of Provider's obligations under Section 3.18 pertaining to the PHS Drug Pricing Program).

ARTICLE IV Obligations Of Ramsell

4.1 Reimbursement for Pharmacy Services. In consideration of Provider's provision of Pharmacy Services to Program Members hereunder, Ramsell shall reimburse Provider for claims submitted to Ramsell for items which Provider has dispensed and which have been determined to be in compliance with the Sponsor's benefit plan and this Agreement. The reimbursement shall be at levels as listed on Exhibit B attached hereto, less the applicable Share of Cost. If Provider chooses to receive reimbursement payments hereunder by any method other than electronically, Ramsell reserves the right to charge additional fees per claim submitted by Provider.

4.2 Processing of Claims. Ramsell, or a Claims Administrator designed by Ramsell, shall process claims submitted by Provider in accordance with this Agreement. Provider shall submit all such claims in a format approved by Ramsell and shall contain such information as Ramsell shall require.

4.3 Identification Cards. Ramsell, at its option, may provide all Program Members with identification cards, containing but not limited to, the Program Members identification number and name.

4.4 Delivery of Pharmacy Services. Ramsell shall not supervise, direct or otherwise intervene in the rendering of Pharmacy Services by Provider, it being agreed that Provider shall have the sole responsibility for its professional services in connection therewith.

ARTICLE V Confidentiality Of Records

5.1 Ramsell Proprietary Information. Provider agrees that all confidential and proprietary information of Ramsell, including but not limited to, the Program's formats and other system information, proprietary software terminals and related user documentation, clinical and other manuals, prior authorization and prescription drug evaluation criteria and other documents related to reimbursement rates, information and documents related to the Program (collectively, "Ramsell Proprietary Information") are confidential and proprietary to Ramsell. Provider shall not use Ramsell Proprietary

Information, or disclose it to any third party, at any time during or after the termination of this Agreement, except as specifically contemplated by this Agreement or upon Ramsell's prior written consent. Upon termination of this Agreement, Provider shall cease using all Ramsell Proprietary Information along with any Ramsell manuals, procedures or equipment made available to Provider by Ramsell, and shall return all such material to Ramsell immediately upon Ramsell's request.

5.2 Confidentiality. The parties shall maintain the confidentiality of any information relating to Program Members in accordance with all applicable laws and regulations. It is contemplated by this Agreement, however, that confidential information relating to Program Members will be obtained by Ramsell and by Provider in providing services under this Agreement and that such information will be obtained from and/or distributed to Ramsell clients, Provider and Program Member's physicians for drug utilization evaluation, claims processing, treatment, operations, payments and other purposes relating to the Sponsor's benefit plan. Provider agrees not to disclose, either directly or indirectly, the terms of this Agreement to any third parties. The terms of this Section 5.2 shall survive the termination of this Agreement.

5.3 Compliance with HIPAA. Provider understands and agrees that this Agreement and certain information which may be exchanged hereunder are subject to the Health Insurance Portability and Accountability Act of 1996 and regulations issued or to be issued thereunder, as amended ("HIPAA"). Provider agrees to comply with HIPAA, including, but not limited to, HIPAA standards for (a) privacy, (b) code sets, (c) data transmission standards, and (d) security regarding physical storage, maintenance, transmission of and access to individual health information. The terms of this Section 5.3 shall survive termination of the Agreement.

ARTICLE VI

Communications Between Ramsell And Provider

6.1 Cooperation. In discharging its obligations under this Agreement, Provider shall at all times maintain an effective liaison and close cooperation with Ramsell, and shall at all times freely and fully share with Ramsell information regarding all matters directly or indirectly relating to the Program and this Agreement.

6.2 Notices. Any notices or other communications required or permitted hereunder may be sent to the addresses of the parties as set forth on the signature page below, by regular United States mail. However, it is also intended and permitted that certain routine business information, such as data entered in Provider's computer terminal, updated lists of Program Members, and advice as to status of mutual accounts may be transmitted by one party to the other through the telecommunication facilities provided by computer terminals and related equipment. If either party deems a matter sufficiently important, urgent, or time-sensitive, it may send such notice or communication in writing by certified mail, return receipt requested, postage prepaid, by facsimile, as evidenced mechanical confirmation of facsimile transmission, or by overnight delivery service providing proof of receipt. Each party may designate by

written notice any future or different addresses to which notices shall be sent. Notices shall be deemed delivered upon receipt or upon refusal to accept delivery.

ARTICLE VII Resolution Of Disputes

7.1 Arbitration. In the event of a dispute concerning the construction, interpretation, performance under or breach of this Agreement, the parties shall first meet and confer in good faith to attempt to resolve the dispute. If the dispute is not resolved in this manner such disputes shall be submitted to arbitration and such arbitration conducted in San Francisco, California, by and under the commercial rules and procedures of the Judicial Arbitration and Mediations Services using one (1) arbitrator. Unless the parties hereafter mutually agree otherwise, the award of the arbitrators shall be final and binding on the parties hereto and judgment upon such award may be entered into a court having jurisdiction thereof. The expenses of arbitration, including all reasonable attorney's fees, shall be paid by the party against whom the award of the arbitrators is rendered. This Agreement to arbitrate shall be specifically enforceable under the laws of the State of California. Any impending arbitration hereunder shall not extend the term of this Agreement or affect any termination provided for hereunder.

7.2 Grievances. In addition to the foregoing, Provider agrees to cooperate with Ramsell and the affected Sponsor in the amicable resolution of any claims or complaints of Program Members, within the framework of any formal or informal grievance procedures established by Ramsell.

ARTICLE VIII Evaluation

8.1 Provider will participate as requested with Ramsell and any applicable governmental entity and the Sponsor in studies designed to show the effectiveness of the Program and services provided under this Agreement. Provider agrees to meet the requirements of and participate in the program evaluation and management information system of Ramsell.

ARTICLE IX Withholding Of Payment

9.1 Ramsell may withhold any and all payments due Provider under this Agreement until Provider delivers all documentation and complies with all requirements applicable to Provider under this Agreement.

ARTICLE X Disallowance

10.1 If Provider claims or receives payment from Ramsell for Pharmacy Services, reimbursement for which is later disallowed all or in part by the State of California or county or local health jurisdictions (including, without limitation, any disallowed reimbursements under the PHS Drug Pricing Program), the Provider shall within thirty (30) days of notice to Provider of such disallowance, refund to Ramsell upon request the disallowed payment and associated expenses incurred by Ramsell, or, at its option, Ramsell may offset the amount disallowed and associated expenses incurred by Ramsell from payments due to Provider under this Agreement.

ARTICLE XI Program Member Billing

11.1 Provider shall follow all guidelines for the billing of Program Members as shall be mandated by Ramsell and approved by the Sponsor. When Provider is aware that a Program Member is enrolled in another third party program with prescription drug benefits, Provider shall bill the appropriate source primarily before billing for any difference in reimbursement up to the maximum allowed by the Sponsor.

ARTICLE XII Termination

12.1 Termination Events. This Agreement may be terminated by either party at any time by giving at least fifteen (15) days advance written notice of the same to the other. This Agreement may also be terminated by giving at least five (5) days advance written notice to the other party in the event of a voluntary or involuntary bankruptcy, receivership or closing of business of the other party, or a substantial breach of this Agreement by the other party, or as permitted by Section 3.15. Notwithstanding anything herein to the contrary, Ramsell may terminate this Agreement immediately without notice to Provider if (a) Provider shall fail to be appropriately licensed and certified to provide pharmacy services pursuant to applicable state and federal law regulations, (b) Provider shall breach any of its representations or warranties or any covenants applicable to it under this Agreement, or (c) Ramsell shall determine, in its sole and absolute discretion, that Provider should have taken or failed to take any actions which could negatively affect the Sponsor or the Program.

12.2 Rights upon Termination. In the event of a termination of this Agreement, the termination shall be deemed to end only the term of this Agreement, and the respective parties shall continue to be obligated by this Agreement to wind up and terminate their affairs in an orderly fashion, to make and perform any accounting required hereunder, or undertake within three (3) years after such termination (at Ramsell's option) any audits permitted hereunder, to settle accounts, to resolve any disputes between the parties or with Program Members in accordance with Article VII, to commence, continue and complete any surveys and inspections permitted hereunder relating to monitoring and

reporting of the quality, utilization and accessibility of Pharmacy Services in the Program, to maintain confidentiality of information in accordance with Article V, and to honor provisions herein for indemnity, defense and holding harmless for acts and omissions occurring prior to the effective date of such termination.

ARTICLE XIII Miscellaneous

13.1 Assignment. Ramsell shall have the absolute right to assign, transfer or delegate this Agreement and any of its rights or obligations hereunder, to any person, entity or corporation at any time during the term of this Agreement. Provider may not assign, transfer or delegate any of its rights or obligations hereunder in any manner, without the prior written consent of Ramsell. Any permitted assignee shall assume all obligations of Assignor under this Agreement. No assignment shall relieve any party of responsibility for the performance of any obligations which have already occurred. This Agreement shall inure to the benefit of and be binding upon each party, its respective successors and permitted assignees.

13.2 Modifications. Ramsell may unilaterally modify PMDC Systems or the Program. In addition, Ramsell may unilaterally modify this Agreement, including changes in reimbursement schedules, to the extent such changes shall be required by the Sponsor or by law. Ramsell will provide written notice of such modification to Provider. All other amendments or modifications must be in writing and mutually agreed to by the parties.

13.3 Entire Agreement. This Agreement contains the entire agreement of the parties hereto with respect to the subject matter hereof, to the exclusion of all prior and contemporaneous communications. No representation or inducements have been made or given by either party, to the other except as expressly stated herein.

13.4 Governing Law. This Agreement is made in, and shall be construed and enforced in accordance with the laws of the State of California and interpreted and determined in accordance with the laws of the State of California, as such laws are applied by California courts to contracts made and to be performed entirely in California by residents of that State.

13.5 Severability. In the event that any part of the provisions of this Agreement is hereafter deemed invalid or unenforceable by any court of competent jurisdiction, such part or provision shall be deemed separable herefrom and the remainder of this Agreement shall be fully enforced.

13.6 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall be deemed one and the same instrument.

13.7 Severability. Any determination of invalidity or unenforceability of any one provision shall have no effect on the continuing force and effect of the remaining provisions.

13.8 Further Assurances. Each party hereto agrees to execute and deliver such additional documents and instruments and to perform such additional acts as may be necessary or appropriate to effectuate, carry out and perform all of the terms, provisions, and conditions of this Agreement and the transactions contemplated hereby.

13.9 Interpretation. If any claim is made by any party hereto relating to any conflict, omission or ambiguity in this Agreement, no presumption or burden of proof or persuasion shall be implied by virtue of the fact that this Agreement was prepared by or at the request of a particular party or the party's counsel. All pronouns and all variations thereof shall be deemed to refer to the masculine, feminine, or neuter, singular or plural, as the context in which they are used may require.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers, duly authorized to do so, effective as of the date signed by Provider and accepted by Ramsell.

RAMSELL CORPORATION
4900 Hopyard Road, Suite 285
Pleasanton, CA 94588
888-311-7632

PHARMACY PROVIDER INFORMATION

Signature: _____ Date: _____
Printed Name: _____ Title: _____
NCPDP: _____
Pharmacy Name: _____
Address: _____
City, State, Zip: _____
Telephone No.: (____) ____ - ____ x ____ Fax No.: (____) ____ - ____
Email Address: _____

RAMSELL CORPORATION

Signature: _____ Date: _____
Printed Name: _____ Title: _____

EXHIBIT A
List of Provider's Locations

EXHIBIT B
Reimbursement Levels

[Revise to take into accounts terms of new contract with State commencing July 1, 2005

340 B.